



FILED

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

20/07/21
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Application of Pacific Gas and Electric Company for Compliance Review of Utility Owned Generation Operations, Portfolio Allocation Balancing Account Entries, Energy Resource Recovery Account Entries, Contract Administration, Economic Dispatch of Electric Resources, Utility Owned Generation Fuel Procurement, Diablo Canyon Seismic Studies Balancing Account, and Other Activities for the Record Period January 1 Through December 31, 2019. (U39E)

Application 20-02-009

Application of Southern California Edison Company (U338E) for a Commission Finding that its Procurement-Related and Other Operations for the Record Period January 1 Through December 31, 2019 Complied with its Adopted Procurement Plan; for Verification of its Entries in the Energy Resource Recovery Account and Other Regulatory Accounts; and for Recovery of \$16.065 Million Recorded in Three Accounts.

Application 20-04-002

Application of San Diego Gas & Electric Company (U902E) for Approval of:
(i) Contract Administration, Least-Cost Dispatch and Power Procurement Activities in 2019, (ii) Costs Related to those Activities Recorded to the Energy Resource Recovery Account, Portfolio Allocation Balancing Account, Transition Cost Balancing Account, and Local Generating Balancing Account in 2019, and (iii) Costs Recorded in Related Regulatory Accounts in 2019.

Application 20-06-001

**ASSIGNED COMMISSIONER'S SECOND AMENDED SCOPING MEMO
AND RULING, NOTICE OF CONSOLIDATION, AND STATUTORY
DEADLINE EXTENSION**

The Assigned Commissioner's Amended Scoping Memo and Ruling issued in Application (A.) 20-02-009 on August 14, 2020, the Assigned Commissioner's Amended Scoping Memo and Ruling issued in A.20-04-002 on August 19, 2020, and the Assigned Commissioner's Scoping Memo and Ruling issued in A.20-06-001 on August 12, 2020 (collectively, the Phase I Scoping Memos) set forth the category, issues to be addressed, need for hearings, designation of presiding officer and schedule of their respective proceedings pursuant to Public Utilities (Pub. Util.) Code § 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules). Today's assigned Commissioner's Second Amended Scoping Memo and Ruling, Notice of Consolidation, and Statutory Deadline Extension (Second Amended Scoping Memo) supersedes and amends both the scope of issues and the procedural schedule in the Phase I Scoping Memos. It also consolidates A.20-02-009, A.20-04-002, and A.20-06-001 and extends the statutory deadline of this consolidated proceeding until August 29, 2022. Otherwise, this Second Amended Scoping Memo reaffirms, *inter alia*, the Phase I Scoping Memos' determinations of category, need for hearings and designation of presiding officers in Applications A.20-02-009, A.20-04-002, and A.20-06-001.

1. Background

**1.1. Phase I of Pacific Gas and Electric
Company's (PG&E) 2019 Energy Resource
Requirement Account (ERRA) Compliance
Application**

On February 28, 2020, PG&E filed A.20-02-009, requesting the Commission find that, during the 2019 Record Year: 1) PG&E complied with its Bundled

Procurement Plan,¹ with respect to fuel procurement, administration of power purchase contracts, greenhouse gas compliance instrument procurement, resource adequacy sales, and least-cost dispatch of electric generation resources; 2) PG&E managed its utility-owned generation facilities reasonably; and 3) the entries PG&E recorded in the ERRA and the Portfolio Allocation Balancing Account (PABA), as well as other balancing accounts and memorandum accounts, are reasonable and consistent with applicable tariffs and Commission directives (PG&E 2019 ERRA Compliance Application). PG&E also requested recovery of balances recorded in the balancing and memorandum accounts being reviewed in its application, specifically for recovery of a \$3.996 million revenue requirement for seismic study costs recorded in the Diablo Canyon Seismic Studies Balancing Account.

On April 2, 2020, two protests were timely filed by the following parties: 1) Public Advocates Office of the California Public Utilities Commission (Cal Advocates) and 2) jointly by East Bay Community Energy, Marin Clean Energy, Peninsula Clean Energy, Pioneer Community Energy, San Jose Clean Energy,² Silicon Valley Clean Energy, and Sonoma Clean Power (collectively, the Joint Community Choice Aggregators or JCCAs). PG&E timely filed a response to the protests on April 13, 2020.

A telephonic prehearing conference (PHC) was held on May 12, 2020 to discuss the scope of issues, the need for hearings, and the proceeding schedule. The assigned Commissioner issued a Scoping Memo and Ruling on

¹ PG&E's most recent Bundled Procurement Plan was approved in Decision (D.) 15-10-031 and was subsequently modified in Resolution E-4998.

² On June 19, 2020, City of San Jose, Administrator of San Jose Clean Energy filed a Notice of Party Name Change from San Jose Clean Energy to City of San Jose, Administrator of San Jose Clean Energy.

June 19, 2020. On August 14, 2020, the assigned Commissioner issued an Amended Scoping Memo and Ruling.

The Utility Reform Network (TURN) filed a motion for party status on June 5, 2020. TURN's motion for party status was granted by e-mail ruling on June 5, 2020.

On October 22, 2020, PG&E, Cal Advocates and the JCCAs filed a Joint Motion for adoption of a Settlement Agreement. A proposed decision on Phase I issues was issued on June 10, 2021. A final decision was adopted by the Commission at the July 15, 2021 Commission agenda meeting and issued on July 16, 2021 (PG&E 2019 ERRA Compliance Phase I Decision). On August 16, 2021, PG&E timely filed an application for rehearing on the PG&E 2019 ERRA Compliance Phase I Decision.

1.2. Phase I of Southern California Edison Company's (SCE) 2019 ERRA Compliance Application

On April 1, 2020, SCE filed A.20-04-002, requesting compliance review of its procurement-related and other operations, verifications of entries in its ERRA and other regulatory accounts, and a net revenue requirement of \$16.065 million recorded in three accounts (SCE 2019 ERRA Compliance Application).

Cal Advocates filed a protest to the Application on May 11, 2020. Clean Power Alliance of Southern California (CPA) and California Choice Energy Authority (CCEA) (collectively, the "SoCalCCAs"), jointly filed a response to the Application on May 11, 2020. SCE filed a reply to the protest and response on May 21, 2020.

A PHC was held on June 2, 2020, to discuss the issues of law and fact, and to determine the need for a hearing and schedule for resolving the matter. An Assigned Commissioner's Scoping Memo and Ruling was issued on

June 17, 2020. An Amended Scoping Memo and Ruling was issued on August 19, 2020.

Cal Advocates served intervenor testimony on September 11, 2020. SCE served rebuttal testimony on November 20, 2020. The parties filed a joint case management statement on December 3, 2020, indicating they did not wish to cross-examine witnesses on prepared testimony. Evidentiary hearings were taken off-calendar by e-mail ruling dated December 4, 2020.

All exhibits were admitted into the evidentiary record and granted confidential treatment, as applicable, by Administrative Law Judge (ALJ) ruling, dated January 6, 2021. SCE and Cal Advocates filed opening briefs on January 8, 2021 and reply briefs on January 29, 2021.

A proposed decision on Phase I issues was issued on June 10, 2021. A final decision was adopted by the Commission at the July 15, 2021 Commission agenda meeting and issued on July 19, 2021 (SCE 2019 ERRR Compliance Phase I Decision).

1.3. Phase I of San Diego Gas & Electric Company's (SDG&E) 2019 ERRR Compliance Application

On June 1, 2020, SDG&E filed an application for Commission approval of SDG&E's activities in 2019 regarding contract administration, least cost dispatch, and power procurement, costs related to those activities recorded to the ERRR, PABA, Transition Cost Balancing Account, and Local Generating Balancing Account, and costs recorded in related regulatory accounts (SDG&E 2019 ERRR Compliance Application). On July 8, 2020, Cal Advocates filed a protest to the SDG&E 2019 ERRR Compliance Application. On July 23, 2020, SDG&E and Cal Advocates filed a joint meet and confer report. A PHC was held on July 27, 2020. An Assigned Commissioner's Scoping Memo and Ruling was

issued on August 12, 2020. A ruling issued on August 26, 2020, modified the procedural schedule in Phase I.

On January 14, 2021, SDG&E and Cal Advocates submitted a joint report stating that they had stipulated to the admission of certain documents into evidence and waived evidentiary hearings. As a result, no evidentiary hearings were conducted. On January 28, 2021, rulings were issued granting the joint motion of SDG&E and Cal Advocates to enter testimony and exhibits into the evidentiary record and the separate motions of SDG&E and Cal Advocates to seal a portion of the evidentiary record. SDG&E and Cal Advocates filed opening briefs on February 19, 2021 and reply briefs on March 5, 2021.

A proposed decision on Phase I issues was issued on June 10, 2021. A final decision was adopted by the Commission at the July 15, 2021 Commission agenda meeting and issued on July 21, 2021 (SDG&E 2019 ERRR Compliance Phase I Decision). On August 20, 2021, SDG&E timely filed an application for rehearing on the SDG&E 2019 ERRR Compliance Phase I Decision.

1.4. Phase II

A joint PHC was held to discuss Phase II issues in A.20-02-009, A.20-04-002, and A.20-06-001 on August 24, 2021. After considering the discussion at the PHC, I have amended the issues and schedule of Phase II of the proceedings as set forth in this Second Amended Scoping Memo.

2. Issues

The scope of issues determined in the first phase of A.20-02-009, A.20-04-002, and A.20-06-001 remains the same as the prior scoping memos in

the separate proceedings.³ The remaining issues to be determined in Phase II of A.20-02-009, A.20-04-002, and A.20-06-001 are amended as follows:

1. What is the appropriate methodology for calculating a utility's unrealized volumetric sales and unrealized revenues resulting from PSPS events in any given record year? Based on this methodology, what are the utilities' (PG&E, SCE, and SDG&E) unrealized volumetric sales and unrealized revenues resulting from 2019 PSPS events?
2. Whether it is appropriate for the utilities to return the revenue requirement equal to the unrealized volumetric sales and unrealized revenue resulting from the PSPS events in 2019.

3. Consolidation of Proceedings

Rule 7.4 allows consolidation of proceedings with related questions of law or fact. Phase II of A.20-02-009, A.20-04-002, and A.20-06-001 will consider the same issues in each proceeding, including the adoption of one consistent methodology for calculating a utility's unrealized volumetric sales and unrealized revenues resulting from PSPS events in any given record year. At the joint PHC held on August 24, 2021, the parties generally approved of consolidation of these proceedings and no party objected to the consolidation. Upon consideration, I find that consolidation of A.20-02-009, A.20-02-002, and A.20-06-001 is appropriate pursuant to Rule 7.4 and consolidate these proceedings herein.

4. Need for Evidentiary Hearing

The Commission preliminarily determined that hearings were required for A.20-02-009, A.20-04-002, and A.20-06-001 in Resolutions ALJ 176-3457,

³ A.20-02-009 Amended Scoping Memo, dated August 14, 2020; A.20-04-002 Amended Scoping Memo, dated August 19, 2020; A.20-06-001 Scoping Memo, dated August 12, 2020.

ALJ 176-3460, and ALJ 176-3464, respectively. Based on the protests and discussion at the August 24, 2021 PHC on Phase II issues, I determine that pleadings on the issues in scope may raise disputed material issues of fact. Accordingly, evidentiary hearings may be needed on these issues, depending on further discovery conducted by the parties.

Parties shall meet and confer after service of rebuttal testimony to clarify and narrow contested facts and issues and explore the possibility of settlement prior to evidentiary hearings. Parties shall file a joint case management statement by February 25, 2022 stating whether any party believes a hearing is required. The joint case management statement shall include the following information: (i) the disputed material issues of fact to be addressed in hearings, (ii) the evidence each party proposes to introduce, (iii) the estimated amount of time needed for hearings.

If the joint case management statement states a continued need for evidentiary hearings, parties shall also provide the following seven days prior to the evidentiary hearing date by email to the service list:

- The order of witnesses for each party;
- Cross-examination times estimated by each party for each witness they wish to question;
- A list of proposed exhibits, including whether an exhibit is confidential; and
- A list of witnesses for whom no cross-examination is estimated.

5. Schedule

The proceeding schedule for Phase II of this proceeding is revised as follows:

Energy Division-hosted Workshop on Investor-Owned Utility PSPS methodology	October 26, 2021
IOU Testimony on Phase II issues	November 5, 2021
Intervenor Prepared Testimony on Phase II issues	January 17, 2021
IOU Rebuttal Testimony	February 15, 2022
Joint Case Management Statement and Deadline to Request Evidentiary Hearings	February 25, 2022
Evidentiary Hearings, if needed	To Be Determined
Opening Briefs	To Be Determined
Reply Briefs	To Be Determined
Proposed Decision	Within 90 days of submission.

The assigned Commissioner or any co-assigned ALJ may modify this schedule as necessary to promote the efficient management and fair resolution of this proceeding. This proceeding will stand submitted upon the filing of reply briefs in Phase II of this proceeding, unless a co-assigned ALJ requires further evidence or argument.

6. Statutory Deadline Extension

The previous deadlines to complete these proceedings was within 18 months of the application filing dates as required by Pub. Util. Code § 1701.5(a). The statutory deadline for the PG&E 2019 ERRRA Compliance Application (A.20-02-009) was August 18, 2020. The statutory deadline for A.20-02-009 was extended by 1 year, from August 18, 2021 until August 29, 2022, by order, dated August 19, 2021.

The statutory deadline for the SCE 2019 ERRRA Compliance Application (A.20-04-002) is October 1, 2021. The statutory deadline for the SDG&E 2019 ERRRA Compliance Application (A.20-06-001) is December 1, 2021.

It is necessary to extend the statutory deadline for A.20-04-002 and A.20-06-001 to conduct a workshop, consider additional evidence and argument related to Phase II of these consolidated proceedings, issue a proposed decision addressing Phase II issues, allow the Commission to consider comments on the proposed decision, and provide an opportunity for the Commission to issue a final decision on Phase II issues. Therefore, this Second Amended Scoping Memo extends the statutory deadlines for A.20-04-002 and A.20-06-001 until August 29, 2022.

7. Alternative Dispute Program (ADR)

The Commission's ADR program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, any co-assigned ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.⁴

Any settlements between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

8. Category of Proceeding/*Ex Parte* Restrictions

This ruling confirms the Commission's preliminary determinations that A.20-02-009, A.20-04-002, and A.20-06-001 are ratesetting proceedings. (Resolutions ALJ 176-3457, ALJ 176-3460, and ALJ 176-3464.) Accordingly,

⁴ See D.07-05-062, Appendix A, Section IV.O.

ex parte communications are restricted and must be reported pursuant to Article 8 of the Rules.

9. Public Outreach

Pursuant to Pub. Util. Code § 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's monthly newsletter that is served on communities and businesses that subscribe to it and posted on the Commission's website.

10. Intervenor Compensation

Pursuant to Pub. Util. Code § 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by September 23, 2021, 30 days after the Phase II PHC.

11. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. *See* Pub. Util. Code § 1701.1(g). Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the docket card for the proceeding.

12. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 866-849-8390 or 415-703-2074 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

13. Service of Documents on Commissioners and Their Personal Advisors

Rule 1.10 requires only electronic service on any person on the official service list, other than the co-assigned ALJs. Parties shall serve one hard copy on

the co-assigned ALJs for any document which is 25 pages or longer. Parties shall provide only electronic service to the co-assigned ALJs of any documents with fewer than 25 pages in length.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must NOT send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

14. Assignment of Proceeding

Martha Guzman Aceves is the Assigned Commissioner and the co-assigned ALJs and co-assigned Presiding Officers are Elaine Lau, Zita Kline, and Peter Wercinski.

IT IS RULED that:

1. The scope of issues is amended as forth above.
2. The schedule of this proceeding is amended as set forth above.
3. Application (A.) 20-02-009, A.20-04-002, and A.20-06-001 are consolidated.
4. The statutory deadline for consolidated proceedings A.20-02-009, A.20-04-002, and A.20-06-001 is August 29, 2022.

Dated September 7, 2021, at San Francisco, California.

/s/ MARTHA GUZMAN ACEVES
Martha Guzman Aceves
Assigned Commissioner